



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 6, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CHIEF INFORMATION OFFICE AND INTERNAL SERVICES DEPARTMENT: CARRIER SERVICES AGREEMENT AMENDMENT AND CHANGE NOTICE (ALL DISTRICTS - 3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director, Internal Services Department (ISD), or his designee, to execute an Amendment to the existing Telecommunications Carrier Services Agreement with AT&T (Attachment 1) to extend the term of the Agreement to incorporate the Termination Transition Period.
2. Authorize the Director, ISD, or his designee, to negotiate and approve a Termination Transition Plan, or any changes thereto, which will provide for the orderly transition of services from the existing Agreement to the new Agreement.
3. Authorize the Director, ISD, or his designee, to execute future Change Notices, which provide for additional related services on an as-needed basis with amortization periods which may extend past the Agreement term. Such Change Notice(s) shall generally be in the form of Attachment 2.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Telecommunications Carrier Services Agreement with AT&T was executed on May 3, 2000. This Agreement provides for phone services for all County departments and management of the County's Enterprise Network. The Agreement expires on May 2, 2008.

ISD is in the process of re-bidding the Carrier Services Agreement and will submit a recommendation to your Board in this regard in the spring of 2008. The current Agreement recognizes that there needs to be continuity of service during the period of time the County is transitioning to a new vendor and/or new Agreement. Therefore, the existing Agreement allows for a termination transition period of up to 18 months beyond the expiration of the Agreement. Basically, this will ensure that the County receives the same rates and level of service during the transition period.

In a memo dated June 20, 2007, ISD and Chief Information Office (CIO) advised your Board of the intent to request approval to extend the existing Agreement to cover the termination transition period and to prepare a Termination Transition Plan. Approval of the first two recommendations will authorize ISD to implement the transition plan and the related Agreement.

Approval of the third recommendation authorizes the Director, ISD to extend the amortization period to beyond the term of the Agreement, when appropriate and cost effective for certain services.

Currently, the Director, ISD is authorized to order additional related services under the Agreement through a Change Notice process with the costs for the services being amortized through the term of the existing Agreement. For example, departments may require high speed network services to coincide with occupancy of a building. The County budgets the infrastructure costs associated with this service over several years, typically two to five years. Without the ability to extend the amortization period, the County would have to pay all infrastructure costs before the end of the original Agreement term. Approval of the third recommendation provides the County with the ability to order these types of services until the last day of the current Agreement term, May 2, 2008, and establish amortization periods based upon the County's budgetary plans.

Implementation of Strategic Plan Goals

The recommended actions support Countywide Strategic Plan Goal Number 1, Service Excellence, and Goal Number 4, Fiscal Responsibility, by effectively managing County resources. Specifically the recommended action will enable ISD to continue providing telecommunications and related services to County departments without disruption and in the most cost effective manner.

FISCAL IMPACT/FINANCING

There is no financial impact for executing the Amendment to extend the Agreement term to incorporate the termination transition period or to approve a termination plan.

The Honorable Board of Supervisors
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The Change Notices are paid through the County Telecommunications Budget and charged back to the individual user County department.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has determined that the term of the Agreement must be extended to incorporate the termination transition period and has reviewed and approved the Amendment and Change Notice as to form. All of the standard County provisions will remain in effect through the expiration of the Amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the Amendment will ensure that existing services can be transitioned from the present Agreement to the successor Agreement in a planned, orderly manner to avoid disruptions to voice and data telecommunications and that it is done so under the terms and conditions of the existing Agreement. Approval of the Change Notice and any subsequent change notices will ensure that up to the expiration of the Agreement, services will be ordered in the most cost effective manner.

CONCLUSION

The Executive Office, Board of Supervisors, is requested to return one stamped copy of the approved Board letter to the Director, ISD, and Chief Information Officer.

Respectfully submitted,



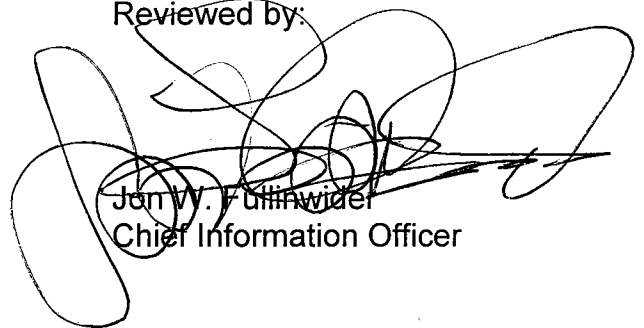
William T. Fujioka
Chief Executive Officer

WTF:LN:DL:MG
GS:CL:dc

Attachments (2)

c: Executive Office of the Board
County Counsel

Reviewed by:



Jon W. Fullinwider
Chief Information Officer

**AMENDMENT NO. 1 TO
TELECOMMUNICATIONS CARRIER SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES AND SBC GLOBAL SERVICES, INC. dba AT&T GLOBAL SERVICES**

This Amendment No. 1 to the Telecommunications Carrier Services Agreement ("Agreement") is entered into as of this ____ day of _____, 2007 by and between SBC Global Services, Inc. dba AT&T Global Services ("AT&T" or "CONTRACTOR") and the County of Los Angeles ("COUNTY").

WHEREAS, Pacific Bell Telephone Company (the predecessor in interest to AT&T) and COUNTY entered into the Agreement (also known as County Agreement #72699) as of May 3, 2000; and

WHEREAS, the parties desire to make certain additions and changes to the Agreement as set forth in this Amendment.

NOW, THEREFORE, the parties, intending to be legally bound, mutually agree that the Agreement is hereby modified as follows:

1. A new Section 5.1.1 (Transition Term) is inserted into Paragraph 5 (Term) of the Agreement immediately following Section 5.1 to read as follows:

"5.1.1 TRANSITION TERM:

At the expiration of the Term as defined in Section 5.1 above, this Agreement shall be extended for an additional eighteen (18) months for the sole and exclusive purpose of allowing COUNTY to transition Services provided under this Agreement to an alternate carrier and/or alternate serving arrangement (the "Transition Term").

During the Transition Term, COUNTY (i) shall exercise best efforts to transition Service to the alternate carrier and/or alternate serving arrangement as quickly as is reasonably feasible, (ii) shall limit new orders for Service to adds, moves or changes at existing County locations, and (iii) shall not be deemed to have violated the COUNTY's exclusivity obligation under the Agreement based upon its transitioning Service to such alternate carrier and/or alternate serving arrangement.

During the Transition Term, CONTRACTOR shall continue to provide Services, at the Service Levels in effect at the expiration of the Term, as well as transition support Services set forth in Paragraph 34 (Transition Out of Services) below or as otherwise agreed by the Parties. Notwithstanding the preceding sentence and the remainder of this Agreement, CONTRACTOR's rights and obligations during the Transition Term and beyond shall be consistent with the following, and in the event of a conflict between this Section 5.1.1 and the remainder of this Agreement, this Section 5.1.1 shall govern:

- CONTRACTOR shall continue providing Service at the Service Levels and rates in effect at the expiration of the Term; provided, however, that once 50% of the volume of Service in place at the expiration of the Term have been transitioned off the Agreement, CONTRACTOR shall, in its sole discretion, determine the most reasonable means in which to support the Services remaining on the Agreement. The required employee and administrative support set forth in Paragraph 3 (Administration of Agreement - CONTRACTOR) of the Agreement may be modified by CONTRACTOR as the volume of Service remaining on the Agreement reduces during the Transition Term.
- Rate Benchmarking and Other Services shall not apply (see Sections 7.7 and 7.9 of the Agreement).
- Revenue Achievement Bonus (see Paragraph 7.8) shall continue to be in effect, per its terms, during the Transition Term.
- The annual credit of \$2,100,000.00 described in Section II.C of Exhibit B (Schedule of Payments and Credits) shall not apply.
- All document retention periods, including but not limited to those described in Paragraphs 17 (Records and Audits) and 19 (Proprietary Considerations) and

Section 31.5 of the Agreement, shall run from the end of the Term as opposed to the end of the Transition Term.

- Paragraph 39 (Most Favored Public Entity) of the Agreement shall not apply.
- At a point in which the volume of Service provided under this Agreement is less than 50% of the volume in place at the commencement of Transition Term, the Parties shall meet in good faith to modify the Service Levels for the remaining Services to ensure reasonable service standards for the COUNTY and reasonable measurement metrics for CONTRACTOR.

This Agreement shall terminate at the conclusion of the eighteen month Transition Term or earlier in the event that all Service is transitioned from this Agreement prior to the end of the eighteen (18) month Transition Term. Upon the conclusion of the Transition Term, all Service under this Agreement shall either be disconnected or shall be provided by CONTRACTOR to COUNTY at CONTRACTOR's then tariff or generally available rates. No additional transition support will be required of CONTRACTOR."

2. Paragraph 34 (Transition Out of Services) of the Agreement is replaced in its entirety by the following new Paragraph 34:

"34. TRANSITION OUT OF SERVICES:

Transition of Services during the Transition Term as defined in Section 5.1.1 of this Agreement or upon termination of Services shall be as follows:

- 34.1 CONTRACTOR understands and agrees that COUNTY's business operations are dependent on the Services, and that COUNTY's inability to receive the Services could result in irreparable damages to COUNTY. Therefore, during the Transition Term or its termination by either party for any reason, including the breach of this Agreement by the other party, the rights of COUNTY and CONTRACTOR shall in any and all events (except as provided in Section 34.2 below) be provided as set forth in Section 5.1.1 (Transition Term) of this Agreement above and this Paragraph 34. If no Termination Transition Plan has yet been agreed to at the commencement of the Transition Term or at the time of termination, the rights of COUNTY and CONTRACTOR at the commencement of the Transition Term or upon any termination shall be as set forth in Section 5.1.1 of this Agreement and this Paragraph 34. If a Termination Transition Plan has been agreed to, then the rights of COUNTY and CONTRACTOR at the commencement of the Transition Term or upon termination of this Agreement shall be as set forth in the most recently approved Termination Transition Plan, and also as set forth in Section 5.1.1 of this Agreement and this Paragraph 34. In the event of any inconsistency between Section 5.1.1, this Paragraph 34 and the applicable Termination Transition Plan, Section 5.1.1 shall govern followed by this Paragraph 34, and the applicable Termination Transition Plan.
- 34.2 CONTRACTOR shall provide COUNTY with all of the Services and all of the transition Services as provided in this Paragraph 34 and in the then most recently approved version of the Termination Transition Plan. The duty of CONTRACTOR to provide such Services shall be conditioned on COUNTY paying CONTRACTOR at the rates set forth herein as to the Services and COUNTY paying CONTRACTOR at mutually agreed upon rates for transition Services outside the scope of this Agreement. Subject to CONTRACTOR's right in Paragraph 31 (Termination for Default) of this Agreement to terminate for material breach and CONTRACTOR's right in Paragraph 33 (Suspension of Services by CONTRACTOR) of this Agreement to suspend Service, CONTRACTOR shall have no right to withhold or limit any of the Services or any of such transition Services on the basis of any alleged breach of this Agreement by COUNTY, other than a failure by COUNTY to timely pay the amounts due for Services rendered during the transition period, or the amounts due for such transition Services under this Paragraph 34.

- 34.3 COUNTY shall have the right to seek specific performance of this Paragraph 34 in any court of competent jurisdiction, notwithstanding the provisions of Paragraph 48 (Dispute Resolution Procedure) of this Agreement
- 34.4 CONTRACTOR will (i) meet with COUNTY as soon as practicable after notice that the Transition Term is expected to occur or a notice of termination or notice of a decision to not extend this Agreement has been given, to discuss any potential modifications to the then most current Termination Transition Plan, (ii) use all commercially reasonable efforts to assist COUNTY in effecting a transition of CONTRACTOR Services to COUNTY or another contractor or serving arrangement chosen by COUNTY, and (iii) be compensated for all transition related Services and costs by payment by COUNTY in accordance with the rates set forth in this Agreement for Services or at rates mutually agreed upon by the Parties for service(s) outside the scope of this Agreement.
- 34.5 During the Transition Term, CONTRACTOR will provide Service(s) consistent with Section 5.1.1 of this Agreement and this Paragraph 34.
- Following a termination of this Agreement, CONTRACTOR will continue to provide Services as well as transition Services for the period defined in the Termination Transition Plan but in no event less than twelve (12) months following the expiration or termination of this Agreement. Prior to the expiration of the twelve (12) month transition period, COUNTY shall have the option to elect one (1) additional extension of transition support Services for one (1) to six (6) months. The total period of transition support Services, including all extensions provided for herein, shall not exceed eighteen (18) months. In addition to the Services as set forth in this Agreement, the transition Services shall include, at a minimum, converting data, providing parallel Services until transition to a new system, providing on-site technical support, cooperating with COUNTY or its designated vendor in developing required interfaces, and such other Services as shall be necessary or appropriate to facilitate, without interruption to the Services, the orderly transition of Services to COUNTY or its new provider of Services in accordance with industry best practices.
- 34.6 CONTRACTOR will (i) promptly return to COUNTY, in the format and on the media reasonably requested by COUNTY, all COUNTY data set forth in the Termination Transition Plan or as reasonably required to provide COUNTY with historical and current information regarding COUNTY's network operations or the billing for Services in CONTRACTOR's possession or control, and (ii) when directed by COUNTY to do so, delete (and certify in writing such deletion) all COUNTY data in CONTRACTOR's possession or control from any tapes or other data storage media, including written records, in CONTRACTOR's possession or control except archival records as necessary for documentation of CONTRACTOR's engagement with COUNTY.
- 34.7 If no Termination Transition Plan has been agreed to by the Parties at the commencement of the Transition Term or at the time of any termination of this Agreement, then CONTRACTOR shall provide the professional Services staff necessary to provide the Services, at the Service Levels in effect at the time of termination or expiration, as well as the transition support Services."

3. This Amendment is effective upon execution by both parties and shall remain in full force and effect for the term of the Agreement. Except as modified by this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect.

4. Pursuant to CPUC General Order 96-A, this Amendment shall be filed, to the extent required by law, with the CPUC and shall at all times be subject to such changes or modifications as the CPUC may from time to time direct in the exercise of its jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized representatives.

CONTRACTOR: SBC GLOBAL SERVICES, INC. dba
AT&T GLOBAL SERVICES

By: _____

Print Name: _____

Title: _____

Date Signed: _____

AUTHORIZED BY COUNTY OF LOS ANGELES

By: _____

Print Name: _____

Title: _____

Date Signed: _____

**CHANGE NOTICE NO. XX PURSUANT TO
COUNTY OF LOS ANGELES AND SBC GLOBAL SERVICES, INC. dba AT&T GLOBAL SERVICES
TELECOMMUNICATIONS CARRIER SERVICES AGREEMENT**

This Change Notice No. XX to the County of Los Angeles Telecommunications Carrier Services Agreement between Pacific Bell Telephone Company dba AT&T California and County of Los Angeles is between SBC Global Services, Inc. dba AT&T Global Services ("AT&T") and County of Los Angeles ("County").

WHEREAS, AT&T and County entered into the Agreement #72699 dated May 3, 2000 (the "Agreement"); and

WHEREAS, the parties desire to make certain additions and changes to the Agreement;

NOW, THEREFORE, the parties, intending to be legally bound, mutually agree that the Agreement is hereby modified as follows:

1. [Description of Service and Locations of Service ("Serving Arrangement")]
2. The term of the Serving Arrangement is XX months from [define starting point]. In the event the term length of this Serving Arrangement extends beyond the term length stated for Agreement #72699, County and Contractor agree that this Serving Arrangement shall continue for the full monthly term set forth above, and that the provisions of Agreement #72699 shall continue to specifically apply to and govern this Serving Arrangement (notwithstanding the more general expiration or termination of Agreement #72699). This Change Notice is limited solely and exclusively to the Serving Arrangement described above and is not to be used or interpreted by either Party as extending the application of Agreement #72699 to any other service or serving arrangement.
3. [Description of Pricing]

This Change Notice is incorporated by reference and is subject to the terms and conditions of the Agreement.

This Change Notice is effective upon execution by both parties and shall remain in full force and effect for the term of the Agreement. Except as modified by this Change Notice, all of the terms and conditions of the Agreement shall remain in full force and effect.

Pursuant to CPUC General Order 96-A, this Change Notice shall be filed, to the extent required by law, with the CPUC and shall at all times be subject to such changes or modifications as the CPUC may from time to time direct in the exercise of its jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Change Notice to be executed by their respective duly authorized representatives.

CONTRACTOR: SBC GLOBAL SERVICES, INC. dba
AT&T GLOBAL SERVICES

By: _____

Print Name: _____

Title: _____

Date Signed: _____

AUTHORIZED BY COUNTY OF LOS ANGELES

By: _____

Print Name: _____

Title: _____

Date Signed: _____